

State of Alaska FY2007 Governor's Operating Budget

Department of Education and Early Development Program Administration & Operations Component Budget Summary

Component: Program Administration & Operations**Contribution to Department's Mission**

ACPE's mission is to promote, support, and provide access to postsecondary education in Alaska and for Alaskans.

Core Services

The Alaska Commission on Postsecondary Education (ACPE/Commission) was created and has been charged by the Alaska Legislature to carry out its mission:

ACPE carries out this mission by delivering core services to:

- Provide student financial aid for postsecondary education and training
- Promote postsecondary education participation in Alaska
- Protect consumers through institutional authorization and consumer complaint investigation

Under agreement with the Alaska Student Loan Corporation (ASLC or Corporation), the Commission has developed and delivers the AlaskAdvantage® Programs and Services and administers certain other occupational area-specific education loan programs.

AlaskAdvantage® programs and services include outreach and early awareness programs intended to increase Alaskans' awareness of the importance of academic and financial planning to insure both access and success in postsecondary education. ACPE is increasing its activities to make state residents aware that postsecondary education is possible for all Alaskans--regardless of their economic or social status. One key agency goal is to provide Alaskans with the tools and information to make sound postsecondary education/training investments and decisions by developing an electronic resource of education/training/labor information. This developing resource for all Alaskans expands ACPE's communication to not only students but also to parents, families, policymakers, professional colleagues, communities, and co-workers.

ACPE also monitors postsecondary educational opportunities both in and outside Alaska and provides Alaskan education consumers with information on these opportunities on a regular basis. Except for certain exempt institutions, ACPE is the regulatory agency for all postsecondary schools that operate in the state. The Commission emphasizes quality in postsecondary education and training to ensure value for Alaskans in their pursuit of lifelong learning. This emphasis is essential to provide education consumer protection in Alaska.

Core Services Detail

This RDU administers and services the following state/federal financial aid programs:

1. AlaskAdvantage® Education Grants;
2. AlaskAdvantage® Federal Education Loans;
3. AlaskAdvantage® Supplemental Education Loans (ASEL);
4. Pre-2002 Alaska Student Loans (ASL);
5. ASL Consolidation Loans;
6. Teacher Education Loans (TEL);
7. Family Education Loans (FEL);
8. WWAMI Medical Education Loans;
9. WICHE Professional Student Exchange Program Loans;
10. Western Undergraduate Exchange (WUE);
11. Western Regional Graduate Program (WRGP).
12. Alaska's GEAR UP Scholarship; and
13. Miscellaneous state memorial education loan programs created for special purposes or target populations.

Servicing operations/administrative duties encompass:

- Processing education grant applications and disbursing and administering grant funds;
- Producing, disseminating and reviewing initial applications and awarding loans;
- Disbursing loan funds to approved institutions in the U.S. and abroad;
- Monitoring loans during the enrolled and grace periods; entering borrowers into repayment;
- Processing deferments and forgiveness of loan payments, where warranted; processing payment, adjustment and balance correction transactions;
- Performing administrative collections action and;
- Acting as a one-stop resource for postsecondary education planning and financing services for all Alaskans;
- Identifying at risk students in elementary and secondary education and providing them (and their families) with targeted information about the importance of postsecondary education and, subsequently, providing ongoing related information and assistance in accessing postsecondary programs;
- Advertising educational exchange opportunities to Alaskan residents;
- Certifying Alaskan residents as eligible for participation under the various WICHE student exchange programs;
- Representing Alaskan issues and concerns to the western member states; and
- Assisting in the development of new programs which serve to expand postsecondary opportunities for Alaskans.

Core Services Objectives

- Award and disburse grants
- Issue loans
- Insure quality servicing of education loans
- Insure the quality of the loan portfolio through effective collections and enhanced revenues
- Continue improving service to loan borrowers through informed use of technology
- Continue quality internal operations through increased accountability and quality control
- Administer other financial aid programs that benefit Alaska postsecondary education consumers
- Insure adequate funds are available to meet loan demand

Major Activities to Advance Strategies

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|---|---|
| • Relocate AlaskAdvantage Success Center to deliver outreach services in a locale frequented by target populations. | • Take proactive debt counseling action |
| • Staff appropriate public events/venues | • Provide credit counseling resources |
| • College planning materials distributed to all Alaskan students and parents. | • Provide convenient payment services (i.e. electronic, web, paper check, etc.) |
| • College promotion activities for at risk youth | • Upgrade technological-delivered borrower services. |
| • Partner with all stakeholder groups | • Provide training for school staff |
| • Promote federally guaranteed loans using borrower incentives | • Provide site reviews of school compliance processes |
| • Provide flexible repayment options | • Collaborate with other agencies (Occupational Licensing, AWIB) to optimize value of information disseminated to schools and the public. |

FY2007 Resources Allocated to Achieve Results

FY2007 Component Budget: \$11,816,300

Personnel:

Full time	104
Part time	0
Total	104

Key Component Challenges

- Continue to effectively deliver the AlaskAdvantage® Education Grant Program with the program objectives of increasing access for lower-income residents, assist in addressing key worker shortage areas, and incent

- secondary students to take rigorous high school curriculum;
- Continue to increase AlaskAdvantage® Federal Family Education Loan Program (FFELP) volume;
- Continue to administer and provide policy direction for the ACPE programs, achieving efficiencies and delivering value-added service to Alaskans through improved management, processes, and technology;
- To review and oversee postsecondary programs and institutions operating in the state, with the exception of the University of Alaska system, emphasizing quality in postsecondary education and training to ensure value for Alaskans in their pursuit of lifelong learning;
- Continue to provide Alaskans with information about: the benefits of higher education, the educational opportunities in Alaska, and financial aid programs available to assist in accessing those opportunities;
- Maintain loan portfolio quality through effective collections and enhanced revenues;
- Continue improving service to loan borrowers through informed use of technology; and
- Continue quality internal operations through increased accountability and quality control

Significant Changes in Results to be Delivered in FY2007

- Increase on-campus assistance to student borrowers;
- Increase on-site assistance and student financial aid technology support for participating institutions;
- Continue to expand early awareness and outreach services to Alaska families for distribution of education financing information;
- Continue to enhance electronic/automated payment options for borrowers;
- Enhance loan origination processes to deliver same-day, or next day loan processing/disbursement;
- Enhance technological tools to increase loan collection efficiency and effectiveness with no increase in staffing; and
- Enhance electronic desktop tools for ACPE staff to insure accurate and consistent customer service levels

Major Component Accomplishments in 2005

- Received legislative authority to design and implement the AlaskAdvantage® Education Grant Program for low-income residents to attend postsecondary programs in Alaska;
- Expanded consolidation loan options to include both alternative loans and Federal Family Education Loan consolidation. This provides substantial borrower cost savings through lower interest rates. Approved over \$30.3 million in consolidation loans in FY2005;
- Retained position as #1 federal education loan provider in Alaska, providing Alaskan students with the lowest cost loans in the nation, at below-market rates ranging from 1.55% to 4.8%;
- Enhanced electronic loan repayment options for borrowers interested in managing their own loan accounts online;
- Maintained strong borrower benefit package, providing incentives and rewards to borrowers who attend school or reside in Alaska or who demonstrate certain positive repayment practices;
- Initiated phase II Alaska Student Loan Corporation three-year initiative to return original contributed capital back to the State. For FY2006, that constituted a return of \$85 million for State use in paying for capital projects and other permitted expenditures and \$160 million return to date;
- Ended FY2005 with sufficient net income to approve an FY2007 dividend to the State of \$1.9 million, bringing the total returned to the State since FY2001 to \$27million;
- In FY2005, over 12,226 borrowers received loans totaling more than \$68.8 million;
- Continued to provide full education loan servicing for over 152,000 loans with a total loan portfolio of over \$608 million.
- Enabled participation of 1,708 Alaskan undergraduate students in the WICHE Western Undergraduate Exchange program, saving those students and their families approximately \$10.8 million in tuition costs.
- Enabled enrollment of 328 undergraduate students from other states at the University of Alaska in the Western

Undergraduate Exchange program.

- Enabled enrollment of 29 Alaskan graduate students in the WICHE Western Regional Graduate Exchange Program.

Statutory and Regulatory Authority

AS 14.42.010-055
AS 14.48.010-210
AS 14.42.011-055
AS 14.43.910-990
AS 14.43.091-175
AS 14.42.100-990
AS 14.43.250-325
AS 14.43.510
AS 14.43.600-990
AS 14.44.010-060
20 AAC 16.010-090

Contact Information

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Program Administration & Operations Component Financial Summary

All dollars shown in thousands

	FY2005 Actuals	FY2006 Management Plan	FY2007 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	6,465.3	7,200.4	7,822.9
72000 Travel	122.9	117.7	117.7
73000 Services	2,775.0	3,245.2	3,277.5
74000 Commodities	143.2	86.8	86.8
75000 Capital Outlay	0.0	21.4	21.4
77000 Grants, Benefits	350.0	470.0	490.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	9,856.4	11,141.5	11,816.3
Funding Sources:			
1002 Federal Receipts	29.0	120.0	140.0
1007 Inter-Agency Receipts	350.0	350.0	350.0
1106 Alaska Post-Secondary Education Commission Receipts	9,429.0	10,601.5	11,226.3
1108 Statutory Designated Program Receipts	48.4	70.0	100.0
Funding Totals	9,856.4	11,141.5	11,816.3

Estimated Revenue Collections

Description	Master Revenue Account	FY2005 Actuals	FY2006 Management Plan	FY2007 Governor
Unrestricted Revenues				
None.		0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0
Restricted Revenues				
Federal Receipts	51010	29.0	120.0	140.0
Interagency Receipts	51015	350.0	350.0	350.0
Statutory Designated Program Receipts	51063	48.4	70.0	100.0
AK Post-Sec. Education Comm. Receipts	55520	9,429.0	10,601.5	11,226.3
Restricted Total		9,856.4	11,141.5	11,816.3
Total Estimated Revenues		9,856.4	11,141.5	11,816.3

**Summary of Component Budget Changes
From FY2006 Management Plan to FY2007 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2006 Management Plan	0.0	120.0	11,021.5	11,141.5
Adjustments which will continue current level of service:				
-FY 07 Wage Increases for Bargaining Units and Non-Covered Employees	0.0	0.0	128.8	128.8
-FY 07 Health Insurance Cost Increases for Bargaining Units and Non-Covered Employees	0.0	0.0	17.4	17.4
-FY 07 Retirement Systems Cost Increase	0.0	0.0	243.7	243.7
Proposed budget increases:				
-Data Processing needs	0.0	0.0	21.0	21.0
-WICHE Dues increase	0.0	0.0	4.0	4.0
-Personal Services Increment for Minimum Vacancy Factor	0.0	0.0	186.3	186.3
-Alaska Advantage Education Grant Program	0.0	20.0	0.0	20.0
-Private Contributions for Outreach Program	0.0	0.0	30.0	30.0
-Risk Management Self-Insurance Funding Increase	0.0	0.0	23.6	23.6
FY2007 Governor	0.0	140.0	11,676.3	11,816.3

**Program Administration & Operations
Personal Services Information**

Authorized Positions			Personal Services Costs	
	<u>FY2006</u> <u>Management</u> <u>Plan</u>	<u>FY2007</u> <u>Governor</u>		
Full-time	104	104	Annual Salaries	5,153,178
Part-time	0	0	COLA	139,323
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	2,879,994
			Less 4.28% Vacancy Factor	(349,595)
			Lump Sum Premium Pay	0
Totals	104	104	Total Personal Services	7,822,900

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Accountant	0	0	4	0	4
Accounting Technician	0	0	2	0	2
Accounting Technician (Acpe)	0	0	2	0	2
Accounting Technician II	0	0	1	0	1
Admin Support Specialist	0	0	4	0	4
Administrative Assistant	1	0	4	0	5
Administrative Coordinator	0	0	1	0	1
Administrative Manager	0	0	1	0	1
Administrative Officer	1	0	4	0	5
Awards Specialist II	0	0	2	0	2
Business Lead/Analyst II	0	0	2	0	2
Business Lead/Analyst III	0	0	2	0	2
Chief Financial Officer	0	0	1	0	1
Collections Trainer/Specialist	0	0	1	0	1
Compliance Auditor	1	0	0	0	1
Customer Service Spec II	0	0	18	0	18
Customer Service Spec III	2	0	6	0	8
Customer Service Supervisor	0	0	1	0	1
Director	0	0	1	0	1
Director/Iss	1	0	0	0	1
Documents Processor	0	0	3	0	3
Due Diligence Supervisor	0	0	2	0	2
Executive Director	0	0	1	0	1
Executive Secretary III	0	0	1	0	1
Internal Auditor	0	0	1	0	1
Loan Servicing Technician I	0	0	3	0	3
Loan Specialist	0	0	9	0	9
Micro/Network Tech II	0	0	1	0	1
Network Systems Specialist	0	0	1	0	1
Policy Analyst	0	0	1	0	1
Program Budget Analyst II	0	0	1	0	1
Program Coordinator	3	0	3	0	6
Program Manager	1	0	0	0	1
Programmer/Analyst	7	0	0	0	7
Project Assistant	0	0	1	0	1
Publications Specialist	0	0	1	0	1
Receptionist	0	0	1	0	1

Position Classification Summary					
Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Totals	17	0	87	0	104